

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

USDC SDNY
DOCUMENT
ELECTRONICALLY FILED
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DATE FILED: 10/25/2023

UNITED STATES OF AMERICA,

Judgment Creditor,

v.

KRISTIAN RHEIN,

Judgment Debtor,

and

MORGAN STANLEY SMITH BARNEY, LLC,

Third-Party Respondent.

20 CR 160-13 (MKV)

TURNOVER ORDER

WHEREAS the Court entered judgment against Kristian Rhein on January 5, 2022 and ordered him to pay a \$100 special assessment, \$10,000 fine, \$729,716 in restitution, and \$1,021,800 forfeiture money judgment;

WHEREAS Rhein has made payments totaling \$100, and his outstanding balance on the unpaid fine and is \$745,455.40, including interest accrued at the rate of 0.48% as of as of September 1, 2023 plus \$9.73 per diem interest until the date of payment;

WHEREAS, pursuant to 18 U.S.C. § 3613, upon entry of judgment, a lien arose on all of Rhein's property and rights to property notwithstanding any other federal law, and the United States may use any federal or state procedure to enforce the judgment;

WHEREAS, pursuant to Federal Rule of Civil Procedure 69(a)(1) and N.Y. CPLR § 5222, the United States issued and served a restraining notice on Morgan Stanley Smith Barney, LLC ("MSSB") for substantial nonexempt property belonging or due to Rhein;

WHEREAS MSSB answered that it holds approximately \$1.97 million, subject to market fluctuation, in multiple retirement accounts belonging to Rhein, which exceed the amount required to satisfy his outstanding criminal monetary impositions;

WHEREAS the United States served Rhein with the restraining notice and its motion for turnover order, including the exclusive and limited exemptions available to criminal judgment debtors under 18 U.S.C. § 3613(a);

WHEREAS the court granted Rhein's request for an extension of time to respond to May 28, 2023, ~~yet more than 90 days later, Rhein has not filed any claim of exemption or opposition to the motion for turnover order, which has been pending since February 14, 2023;~~ **and Rhein filed an untimely and wholly non-substantive response on October 24, 2023;**

IT IS HEREBY ORDERED that MSSB shall liquidate securities as needed to pay to the Clerk of Court the sum of \$745,455.40 in satisfaction of Rhein's fine and restitution order. Payment should be made by cashier's check or certified funds to "Clerk of Court" with "No. 20 CR 160-13" written on the face of the payment and mailed to:

United States District Court
500 Pearl Street, Room 120
New York, New York 10007
Attn: Cashier

The only criminal monetary impositions resolved by this Turnover Order are the fine and restitution order. MSSB shall continue to hold the remaining funds due or owing to Rhein until further order regarding the forfeiture money judgment.

Dated: New York, New York
October 25, 2023


UNITED STATES DISTRICT JUDGE

The Clerk of Court is respectfully requested to terminate ECF No. 1049.